

1660 HOTEL CIRCLE NORTH, SUITE 716
SAN DIEGO, CALIFORNIA 92108
PHONE: 619/718-9500
FAX : 619/718-9508
WWW.KEYSERMARSTON.COM

ADVISORS IN:

REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

MEMORANDUM

To: Cathy Mahmud, Project Manager-Affordable Housing
City of San Diego Redevelopment Agency

From: KEYSER MARSTON ASSOCIATES, INC.

Date: March 25, 2004

Subject: 2004 Housing Affordability Levels

SAN DIEGO
Gerald M. Trimble
Paul C. Marra

LOS ANGELES
Calvin E. Hollis, II
Kathleen H. Head
James A. Rabe
Paul C. Anderson
Gregory D. Soo-Hoo

SAN FRANCISCO
A. Jerry Keyser
Timothy C. Kelly
Kate Earle Funk
Debbie M. Kern
Robert J. Wetmore

I. Introduction

Keyser Marston Associates, Inc. (KMA) has prepared estimates of current affordable housing rents and sales prices for the City of San Diego, using the 2004 incomes from the State of California Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC). This memorandum presents affordable rents and sales prices for two distinct affordable housing programs -- California Redevelopment Law (CRL) (affordable rents and sales prices) and the Federal Low-Income Housing Tax Credit (LIHTC) program (affordable rents only).

Both programs employ two separate qualification tests:

- Individual households are qualified based on their actual income adjusted for household size.
- Maximum unit rents and prices are set based on the appropriate household size for a given unit size and specific income thresholds identified by the respective programs.

This memorandum outlines relevant program rules and specific KMA assumptions used in estimating affordable rents and prices. It is organized as follows:

- Section II addresses the income and rental restrictions based on California Redevelopment Law.
- Section III calculates the maximum income and rents for the LIHTC program.
- Section IV calculates the maximum income and sales prices under CRL.
- Section V provides the assumptions used for utilities, insurance, and homeowner association (HOA) fees.

II. California Redevelopment Law - Rental

Under California Redevelopment Law, income restrictions and rent restrictions applying to affordable rental housing for 2004 are as follows:

Exhibit II-1: Income Restrictions – California Redevelopment Law, 2004			
Family Size	Very Low Income at or Below <u>50% AMI</u>	Lower Income Between 51% and <u>80% AMI</u>	Moderate Income Between 81% and <u>120% AMI</u>
1 Person	\$24,000	\$38,350	\$53,250
2 Persons	\$27,400	\$43,850	\$60,900
3 Persons	\$30,850	\$49,300	\$68,500
4 Persons	\$34,250	\$54,800	\$76,100
5 Persons	\$37,000	\$59,200	\$82,200

Exhibit II-2: Rent Restrictions – California Redevelopment Law, 2004			
Unit Size	Very Low Income <u>30 % of 50% AMI</u>	Lower Income <u>30% of 60% AMI</u>	Moderate Income <u>30% of 110% AMI</u>
Studio	\$534	\$645	\$1,200
1 Bedroom	\$605	\$732	\$1,365
2 Bedroom	\$677	\$820	\$1,533
3 Bedroom	\$748	\$906	\$1,699
4 Bedroom	\$800	\$971	\$1,826

These figures are based on the method of calculation described below.

A. Income Restrictions

Qualification of prospective Very Low, Lower, and Moderate income households is based on actual household income, i.e., not to exceed 50%, 80%, and 120% AMI, respectively. Income levels for all households (Very Low, Lower, and Moderate) are determined based on 2004 income limits as established by HCD for San Diego County, as of February 24, 2004.

For example, to qualify for a "Lower-income" restricted unit, a household must earn between 51% and 80% of AMI as determined by HCD, adjusted for its own household size.

B. Rent Restrictions

Calculation of affordable rents is based on established benchmarks defined in California Health & Safety Code (H&SC) Section 50053. The detailed calculations are presented in Attachment A and incorporate the following key assumptions.

1. Assignment of family size (number of persons) vs. unit size (number of bedrooms) based on the number of persons exceeding the number of bedrooms by one. This assumption is not optional as it is mandated by H&SC § 50053.
2. Calculation of affordable rents based on the formulas shown below. These formulas are not optional and do not vary; they are taken from California H&SC § 50053.

Very Low Income	30% of 50% of AMI
Lower Income	30% of 60% of AMI
Moderate Income	30% of 110% of AMI

3. Very Low (50%), Lower (60%), and Moderate (110%) income figures extrapolated from the 100% AMI figures shown in the State Income Limits for 2004, published by HCD for San Diego County (February 24, 2004).
4. Current utility allowances as determined by the San Diego Housing Commission. See Section V below.

III. Low Income Housing Tax Credits - Rental

Maximum 2004 income and rent levels for the LIHTC Program, as determined by TCAC, are as follows:

Exhibit III-1: Income Restrictions – Low Income Housing Tax Credit Program, 2004			
Family Size	Very, Very Low Income Below 40%	Very Low Income Below 50%	Lower Income Below 60%
1 Person	\$19,200	\$24,000	\$28,800
2 Persons	\$21,920	\$27,400	\$32,880
3 Persons	\$24,680	\$30,850	\$37,020
4 Persons	\$27,400	\$34,250	\$41,100
5 Persons	\$29,600	\$37,000	\$44,400
6 Persons	\$31,800	\$39,750	\$47,700

Exhibit III-2: Rent Restrictions – Low Income Housing Tax Credit Program, 2004			
Unit Size	Very, Very Low Income 30% of 40% AMI	Very Low Income 30% of 50% AMI	Lower Income 30% of 60% AMI
Studio	\$459	\$579	\$699
1 Bedroom	\$485	\$613	\$742
2 Bedroom	\$581	\$735	\$889
3 Bedroom	\$667	\$845	\$1,023
4 Bedroom	\$739	\$937	\$1,136

These figures are based on the method of calculation described below.

A. Income Restrictions

Maximum income levels are released by TCAC (February 2004). For San Diego County, these are identical to the February 2004 U.S. Department of Housing and Urban Development (HUD) income figures. However, since they do differ for some counties, TCAC advises applicants to use only the tax-credit income table.

B. Rent Restrictions

Calculation of affordable rents is based on established rent limits determined by TCAC. Attachment B provides the detailed calculations used to determine maximum rents for the LIHTC program. The following assumptions are incorporated:

1. Assignment of family size (number of persons) vs. unit size (number of bedrooms) for purposes of calculating affordable rents, as follows: 1.5 persons per bedroom; one person in an efficiency. This assignment, which differs from California Redevelopment Law, is based on HUD/LIHTC regulations.

2. Formulas for calculation for affordable rents, as follows:

Very Very Low Income	30% of 40% of AMI
Very Low Income	30% of 50% of AMI
Low Income	30% of 60% of AMI

3. Current utility allowances as determined by the San Diego Housing Commission. See Section V below.

IV. Redevelopment Law – For-Sale

The maximum 2004 income limits and purchase price restrictions, based on California Redevelopment Law, are shown below. The price restrictions were calculated assuming three different for-sale residential product types, as follows:

- Mid-Rise/High-Rise Condominiums (Exhibit IV-2)
- Low-Rise Condominiums/Townhomes (Exhibit IV-3)
- Single-Family Homes (Exhibit IV-4)

In each case, the resulting price restrictions incorporate an appropriate estimate of HOA fee for the type of residential product type considered. For example, price restrictions for mid-rise and high-rise condominiums incorporate correspondingly high HOA dues.

Note that income and price restrictions for Very Low households are not considered in this memorandum, given the unlikelihood of affordable for-sale residential developments targeting very low-income households.

Exhibit IV-1: Income Restrictions – California Redevelopment Law, 2004		
Family Size	Lower Income Between 51% and 80% AMI	Moderate Income Between 81% and 120% AMI
1 Person	\$38,350	\$53,250
2 Persons	\$43,850	\$60,900
3 Persons	\$49,300	\$68,500
4 Persons	\$54,800	\$76,100
5 Persons	\$59,200	\$82,200

Exhibit IV-2: Price Restrictions – California Redevelopment Law, 2004 Mid-Rise/High-Rise Condominiums		
<u>Unit Size</u>	<u>Lower Income 30% of 70% AMI</u>	<u>Moderate Income 35% of 110% AMI</u>
Studio	\$71,000	\$162,000
1 Bedroom	\$76,000	\$180,000
2 Bedroom	\$82,000	\$199,000
3 Bedroom	\$87,000	\$217,000
4 Bedroom	\$88,000	\$228,000

Exhibit IV-3: Price Restrictions – California Redevelopment Law, 2004 Low-Rise Condominiums/Townhomes		
<u>Unit Size</u>	<u>Lower Income 30% of 70% AMI</u>	<u>Moderate Income 35% of 110% AMI</u>
Studio	\$86,000	\$179,000
1 Bedroom	\$95,000	\$200,000
2 Bedroom	\$105,000	\$224,000
3 Bedroom	\$113,000	\$245,000
4 Bedroom	\$118,000	\$260,000

Exhibit IV-4: Price Restrictions – California Redevelopment Law, 2004 Single-Family Homes		
<u>Unit Size</u>	<u>Lower Income 30% of 70% AMI</u>	<u>Moderate Income 35% of 110% AMI</u>
Studio	\$100,000	\$193,000
1 Bedroom	\$113,000	\$218,000
2 Bedroom	\$126,000	\$245,000
3 Bedroom	\$138,000	\$270,000
4 Bedroom	\$146,000	\$289,000

These figures are based on the method of calculation described below.

A. Income Restrictions

Qualification of prospective Lower and Moderate income households is based on actual household income, i.e., not to exceed 80% and 120% AMI, respectively. Income levels for all households (Lower and Moderate) are determined based on 2004 income limits as established by HCD for San Diego County, as of February 24, 2004.

For example, to qualify for a “Lower income” restricted unit, a household must earn between 51% and 80% of AMI as determined by HCD, adjusted for its own household size.

B. Price Restrictions

Calculation of affordable sales prices is based on established benchmarks defined in California H&SC § 50052.5. The detailed calculations are presented in Attachment C and incorporate the following key assumptions.

1. Assignment of family size (number of persons) vs. unit size (number of bedrooms) based on the number of persons exceeding the number of bedrooms by one. This assumption is not optional as it is mandated by California H&SC § 50052.5.
2. Calculation of affordable sales prices based on the formulas shown below. These formulas are not optional and do not vary; they are mandated by California H&SC § 50052.5.

Lower Income	30% of 70% of AMI
Moderate Income	35% of 110% of AMI

3. Lower (70%) and Moderate (110%) income figures extrapolated from the 100% AMI figures shown in the State Income Limits for 2004, published by HCD for San Diego County (February 24, 2004).
4. Housing related costs as follows:
 - HOA dues, insurance, and utilities (see detailed discussion in Section V).
 - Property taxes assuming a 1.12% tax rate for Mid-Rise/High-Rise Condominiums based on the Centre City tax rate and 1.0% tax rate for the Low-Rise Condominiums/Townhomes and Single-Family Homes.
 - Supportable mortgage assuming 6.5% interest and a 30-year loan; a 5% down payment; and closing costs of 2.5% of sales price.

The above criteria are not written into California Redevelopment Law; in fact, it may be appropriate to vary these assumptions for specific projects or lending criteria.

V. Estimates of HOA Fees, Insurance, and Utilities

A. Rental Restrictions – Estimate of Utility Allowance

Attachment F provides the assumptions used to calculate the utility allowance by unit size as determined by the San Diego Housing Commission. The utility allowance estimate is based on general assumptions regarding the utility profile for a typical residential building. The actual utility allowance should be based on the developer's proposed utility profile for a specific project.

B. Price Restrictions – Estimate of HOA Fees, Insurance, and Utilities

Attachment F provides the assumptions used to calculate HOA fees, insurance, and utilities, which were estimated as follows:

- HOA dues of \$200-\$400 per month for Mid-Rise/High-Rise Condominiums and \$100-\$200 per month for Low-Rise/Townhome Condominiums (Single Family Homes were not assumed to be subject to HOA dues).
- Insurance of \$100-\$300 per year.
- Utilities of \$816-\$1,800 per year.

Estimates of HOA dues and insurance were prepared by KMA based on market data/industry standards. Estimates of utilities are based on utility allowance figures from the San Diego Housing Commission, assuming the utility profile of a typical condominium building. As noted above, the actual utility allowance should be based on the developer's proposed utility profile.

attachments

Attachment A

California Redevelopment Law 2004 Rent Restrictions

TABLE A-1

RESTRICTED RENTS - VERY LOW INCOME
CRL RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

California Redevelopment Law Very Low Income (Households at or below 50% AMI) Rental Rates

Percent of AMI	50%	50%	50%	50%	50%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (2)	\$22,200	\$25,350	\$28,525	\$31,700	\$34,225
Income Allocation to Housing	30%	30%	30%	30%	30%
Monthly Housing Cost	\$555	\$634	\$713	\$793	\$856
(Less) Utility Allowance (3)	(\$21)	(\$29)	(\$36)	(\$45)	(\$56)
Maximum Monthly Rent	\$534	\$605	\$677	\$748	\$800

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 income limits.

(3) As calculated by San Diego Housing Commission. See Attachment F.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

TABLE A-2

RESTRICTED RENTS - LOWER INCOME
CRL RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

California Redevelopment Law Lower Income (Households between 51% and 80% AMI) Rental Rates
--

Percent of AMI	60%	60%	60%	60%	60%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$26,640	\$30,420	\$34,230	\$38,040	\$41,070
Income Allocation to Housing	30%	30%	30%	30%	30%
Monthly Housing Cost	\$666	\$761	\$856	\$951	\$1,027
(Less) Utility Allowance (3)	(\$21)	(\$29)	(\$36)	(\$45)	(\$56)
Maximum Monthly Rent	\$645	\$732	\$820	\$906	\$971

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 income limits.

(3) As calculated by San Diego Housing Commission. See Attachment F.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

TABLE A-3

RESTRICTED RENTS - MODERATE INCOME
CRL RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

California Redevelopment Law Moderate Income (Households between 81% and 120% AMI) Rental Rates
--

Percent of AMI	110%	110%	110%	110%	110%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$48,840	\$55,770	\$62,755	\$69,740	\$75,295
Income Allocation to Housing	30%	30%	30%	30%	30%
Monthly Housing Cost	\$1,221	\$1,394	\$1,569	\$1,744	\$1,882
(Less) Utility Allowance (3)	(\$21)	(\$29)	(\$36)	(\$45)	(\$56)
Maximum Monthly Rent	\$1,200	\$1,365	\$1,533	\$1,699	\$1,826

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 income limits.

(3) As calculated by San Diego Housing Commission. See Attachment F.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

TABLE A-4**LOFT UNIT EQUIVALENCY FACTORS
CRL RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY**

<u>Unit Size (SF)</u>	<u>Unit Type Assignment ⁽¹⁾ (# of Bedrooms)</u>	<u># of Persons</u>	<u>Maximum Rents</u>		
			<u>Very Low 50% AMI</u>	<u>Lower 60% AMI</u>	<u>Moderate 110% AMI</u>
Up to 500	0	1	\$534	\$645	\$1,200
501 to 750	1	2	\$605	\$732	\$1,365
751 to 1,000	2	3	\$677	\$820	\$1,533
1,000 and Up	3	4	\$748	\$906	\$1,699

(1) Recommended assignment of loft units by bedroom size.

Attachment B

Low Income Housing Tax Credits 2004 Rent Restrictions

TABLE B-1

**RESTRICTED RENTS - VERY, VERY LOW INCOME
LIHTC RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY**

**Low Income Housing Tax Credit (LIHTC) Program
Very Very Low Income (Households at or below 40% AMI)
Rental Rates**

Percent of AMI	40%	40%	40%	40%	40%
Family Size	1.0	1.5	3.0	4.5	6.0
Number of Bedrooms (1)	0	1	2	3	4
Household Income (2)	\$19,200	\$20,560	\$24,680	\$28,500	\$31,800
Income Allocation to Housing	30%	30%	30%	30%	30%
Monthly Housing Cost (3)	\$480	\$514	\$617	\$712	\$795
(Less) Utility Allowance (4)	(\$21)	(\$29)	(\$36)	(\$45)	(\$56)
Maximum Monthly Rent	\$459	\$485	\$581	\$667	\$739

(1) As assigned by the Low Income Housing Tax Credit (LIHTC) program.

(2) California Tax Credit Allocation Committee 2004 maximum income levels.

(3) California Tax Credit Allocation Committee 2004 maximum rents.

(4) As calculated by San Diego Housing Commission. See Attachment F.

Source: San Diego Housing Commission, California Tax Credit Allocation Committee.

TABLE B-2

RESTRICTED RENTS - VERY LOW INCOME
LIHTC RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Low Income Housing Tax Credit (LIHTC) Program
Very Low Income (Households between 41% and 50% AMI)
Rental Rates

Percent of AMI	50%	50%	50%	50%	50%
Family Size	1.0	1.5	3.0	4.5	6.0
Number of Bedrooms (1)	0	1	2	3	4
Household Income (2)	\$24,000	\$25,700	\$30,850	\$35,630	\$39,750
Income Allocation to Housing	30%	30%	30%	30%	30%
Monthly Housing Cost (3)	\$600	\$642	\$771	\$890	\$993
(Less) Utility Allowance (4)	(\$21)	(\$29)	(\$36)	(\$45)	(\$56)
Maximum Monthly Rent	\$579	\$613	\$735	\$845	\$937

(1) As assigned by the Low Income Housing Tax Credit (LIHTC) program.

(2) California Tax Credit Allocation Committee 2004 maximum income levels.

(3) California Tax Credit Allocation Committee 2004 maximum rents.

(4) As calculated by San Diego Housing Commission. See Attachment F.

Source: San Diego Housing Commission, California Tax Credit Allocation Committee.

TABLE B-3

**RESTRICTED RENTS - LOWER INCOME
LIHTC RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY**

**Low Income Housing Tax Credit (LIHTC) Program
Lower Income (Households between 51% and 60% AMI)
Rental Rates**

Percent of AMI	60%	60%	60%	60%	60%
Family Size	1.0	1.5	3.0	4.5	6.0
Number of Bedrooms (1)	0	1	2	3	4
Household Income (2)	\$28,800	\$30,840	\$37,020	\$42,750	\$47,700
Income Allocation to Housing	30%	30%	30%	30%	30%
Monthly Housing Cost (3)	\$720	\$771	\$925	\$1,068	\$1,192
(Less) Utility Allowance (4)	(\$21)	(\$29)	(\$36)	(\$45)	(\$56)
Maximum Monthly Rent	\$699	\$742	\$889	\$1,023	\$1,136

(1) As assigned by the Low Income Housing Tax Credit (LIHTC) program.

(2) California Tax Credit Allocation Committee 2004 maximum income levels.

(3) California Tax Credit Allocation Committee 2004 maximum rents.

(4) As calculated by San Diego Housing Commission. See Attachment F.

Source: San Diego Housing Commission, California Tax Credit Allocation Committee.

Attachment C

California Redevelopment Law 2004 Price Restrictions

Mid-Rise/High-Rise Condominiums

California Redevelopment Law Lower Income (Households between 51% and 80% AMI) Sales Price

TABLE C-1

RESTRICTED PRICES - MID-RISE/HIGH-RISE CONDOMINIUMS - LOWER INCOME
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Percent of AMI	70.00%	70.00%	70.00%	70.00%	70.00%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$31,080	\$35,490	\$39,935	\$44,380	\$47,915
Income Allocation to Housing	30.00%	30.00%	30.00%	30.00%	30.00%
Amount Available for Housing	\$9,324	\$10,647	\$11,981	\$13,314	\$14,375
Annual HOA/Insurance/Utilities (3)	\$3,300	\$4,200	\$5,000	\$5,900	\$6,900
Tax Rate	1.12%	1.12%	1.12%	1.12%	1.12%
Annual Taxes (4)	\$795	\$851	\$918	\$974	\$986
Available for Mortgage	\$5,229	\$5,596	\$6,062	\$6,440	\$6,489
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Down Payment	5.00%	5.00%	5.00%	5.00%	5.00%
Closing Costs	2.50%	2.50%	2.50%	2.50%	2.50%
Supportable Mortgage	\$68,938	\$73,776	\$79,924	\$84,901	\$85,551
Add: Down Payment	\$3,550	\$3,800	\$4,100	\$4,350	\$4,400
(Less) Closing Costs	<u>(\$1,775)</u>	<u>(\$1,900)</u>	<u>(\$2,050)</u>	<u>(\$2,175)</u>	<u>(\$2,200)</u>
Maximum Unit Price (Rounded)	\$71,000	\$76,000	\$82,000	\$87,000	\$88,000

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 income limits.

(3) Gross estimate. See Attachment F.

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

California Redevelopment Law Moderate Income (Households between 81% and 120% AMI) Sales Price

TABLE C-2

RESTRICTED PRICES - MID-RISE/HIGH-RISE CONDOMINIUMS - MODERATE INCOME
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Percent of AMI	110.0%	110.0%	110.0%	110.0%	110.0%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$48,840	\$55,770	\$62,755	\$69,740	\$75,295
Income Allocation to Housing	35.0%	35.0%	35.0%	35.0%	35.0%
Amount Available for Housing	\$17,094	\$19,520	\$21,964	\$24,409	\$26,353
Annual HOA/Insurance/Utilities (3)	\$3,300	\$4,200	\$5,000	\$5,900	\$6,900
Tax Rate	1.12%	1.12%	1.12%	1.12%	1.12%
Annual Taxes (4)	\$1,814	\$2,016	\$2,229	\$2,430	\$2,559
Available for Mortgage	\$11,980	\$13,304	\$14,735	\$16,079	\$16,894
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Down Payment	5.00%	5.00%	5.00%	5.00%	5.00%
Closing Costs	2.50%	2.50%	2.50%	2.50%	2.50%
Supportable Mortgage	\$157,942	\$175,396	\$194,276	\$211,984	\$222,735
Add: Down Payment	\$8,100	\$9,000	\$9,950	\$10,850	\$11,425
(Less) Closing Costs	<u>(\$4,050)</u>	<u>(\$4,500)</u>	<u>(\$4,975)</u>	<u>(\$5,425)</u>	<u>(\$5,713)</u>
Maximum Unit Price (Rounded)	\$162,000	\$180,000	\$199,000	\$217,000	\$228,000

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 Income Limits.

(3) Gross estimate. See Attachment F.

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual home.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

Attachment D

California Redevelopment Law 2004 Price Restrictions

Low-Rise Condominiums/Townhomes

California Redevelopment Law Lower Income (Households between 51% and 80% AMI) Sales Price

TABLE D-1

RESTRICTED PRICES - LOW-RISE CONDOMINIUMS/TOWNHOMES - LOWER INCOME
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Percent of AMI	70.00%	70.00%	70.00%	70.00%	70.00%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$31,080	\$35,490	\$39,935	\$44,380	\$47,915
Income Allocation to Housing	30.00%	30.00%	30.00%	30.00%	30.00%
Amount Available for Housing	\$9,324	\$10,647	\$11,981	\$13,314	\$14,375
Annual HOA/Insurance/Utilities (3)	\$2,100	\$2,700	\$3,200	\$3,800	\$4,500
Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Taxes (4)	\$860	\$950	\$1,050	\$1,130	\$1,180
Available for Mortgage	\$6,364	\$6,997	\$7,731	\$8,384	\$8,695
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Down Payment	5.00%	5.00%	5.00%	5.00%	5.00%
Closing Costs	2.50%	2.50%	2.50%	2.50%	2.50%
Supportable Mortgage	\$83,904	\$92,250	\$101,921	\$110,537	\$114,630
Add: Down Payment	\$4,300	\$4,750	\$5,250	\$5,650	\$5,900
(Less) Closing Costs	<u>(\$2,150)</u>	<u>(\$2,375)</u>	<u>(\$2,625)</u>	<u>(\$2,825)</u>	<u>(\$2,950)</u>
Maximum Unit Price (Rounded)	\$86,000	\$95,000	\$105,000	\$113,000	\$118,000

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 income limits.

(3) Gross estimate. See Attachment F.

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

California Redevelopment Law Moderate Income (Households between 81% and 120% AMI) Sales Price

TABLE D-2

RESTRICTED PRICES - LOW-RISE CONDOMINIUMS/TOWNHOMES - MODERATE INCOME
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Percent of AMI	110.0%	110.0%	110.0%	110.0%	110.0%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$48,840	\$55,770	\$62,755	\$69,740	\$75,295
Income Allocation to Housing	35.0%	35.0%	35.0%	35.0%	35.0%
Amount Available for Housing	\$17,094	\$19,520	\$21,964	\$24,409	\$26,353
Annual HOA/Insurance/Utilities (3)	\$2,100	\$2,700	\$3,200	\$3,800	\$4,500
Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Taxes (4)	\$1,790	\$2,000	\$2,235	\$2,455	\$2,600
Available for Mortgage	\$13,204	\$14,820	\$16,529	\$18,154	\$19,253
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Down Payment	5.00%	5.00%	5.00%	5.00%	5.00%
Closing Costs	2.50%	2.50%	2.50%	2.50%	2.50%
Supportable Mortgage	\$174,085	\$195,384	\$217,926	\$239,347	\$253,839
Add: Down Payment	\$8,950	\$10,000	\$11,175	\$12,275	\$13,000
(Less) Closing Costs	<u>(\$4,475)</u>	<u>(\$5,000)</u>	<u>(\$5,588)</u>	<u>(\$6,138)</u>	<u>(\$6,500)</u>
Maximum Unit Price (Rounded)	\$179,000	\$200,000	\$224,000	\$245,000	\$260,000

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 Income Limits.

(3) Gross estimate. See Attachment F.

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual home.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

Attachment E

California Redevelopment Law 2004 Price Restrictions

Single-Family Homes

California Redevelopment Law Lower Income (Households between 51% and 80% AMI) Sales Price

TABLE E-1

RESTRICTED PRICES - SINGLE-FAMILY HOMES - LOWER INCOME
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Percent of AMI	70.00%	70.00%	70.00%	70.00%	70.00%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$31,080	\$35,490	\$39,935	\$44,380	\$47,915
Income Allocation to Housing	30.00%	30.00%	30.00%	30.00%	30.00%
Amount Available for Housing	\$9,324	\$10,647	\$11,981	\$13,314	\$14,375
Annual HOA/Insurance/Utilities (3)	\$900	\$1,200	\$1,400	\$1,700	\$2,100
Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Taxes (4)	\$1,000	\$1,125	\$1,260	\$1,380	\$1,460
Available for Mortgage	\$7,424	\$8,322	\$9,321	\$10,234	\$10,815
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Down Payment	5.00%	5.00%	5.00%	5.00%	5.00%
Closing Costs	2.50%	2.50%	2.50%	2.50%	2.50%
Supportable Mortgage	\$97,880	\$109,719	\$122,884	\$134,927	\$142,581
Add: Down Payment	\$5,000	\$5,625	\$6,300	\$6,900	\$7,300
(Less) Closing Costs	<u>(\$2,500)</u>	<u>(\$2,813)</u>	<u>(\$3,150)</u>	<u>(\$3,450)</u>	<u>(\$3,650)</u>
Maximum Unit Price (Rounded)	\$100,000	\$113,000	\$126,000	\$138,000	\$146,000

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 income limits.

(3) Gross estimate. See Attachment F.

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

California Redevelopment Law Moderate Income (Households between 81% and 120% AMI) Sales Price

TABLE E-2

RESTRICTED PRICES - SINGLE-FAMILY HOMES - MODERATE INCOME
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

Percent of AMI	110.0%	110.0%	110.0%	110.0%	110.0%
Family Size	1	2	3	4	5
Number of Bedrooms (1)	0	1	2	3	4
Household Income (Rounded) (2)	\$48,840	\$55,770	\$62,755	\$69,740	\$75,295
Income Allocation to Housing	35.0%	35.0%	35.0%	35.0%	35.0%
Amount Available for Housing	\$17,094	\$19,520	\$21,964	\$24,409	\$26,353
Annual HOA/Insurance/Utilities (3)	\$900	\$1,200	\$1,400	\$1,700	\$2,100
Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%
Annual Taxes (4)	\$1,930	\$2,180	\$2,450	\$2,705	\$2,890
Available for Mortgage	\$14,264	\$16,140	\$18,114	\$20,004	\$21,363
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Down Payment	5.00%	5.00%	5.00%	5.00%	5.00%
Closing Costs	2.50%	2.50%	2.50%	2.50%	2.50%
Supportable Mortgage	\$188,060	\$212,787	\$238,823	\$263,737	\$281,658
Add: Down Payment	\$9,650	\$10,900	\$12,250	\$13,525	\$14,450
(Less) Closing Costs	<u>(\$4,825)</u>	<u>(\$5,450)</u>	<u>(\$6,125)</u>	<u>(\$6,763)</u>	<u>(\$7,225)</u>
Maximum Unit Price (Rounded)	\$193,000	\$218,000	\$245,000	\$270,000	\$289,000

(1) As assigned by California Redevelopment Law.

(2) State of California Department of Housing and Community Development (HCD) 2004 Income Limits.

(3) Gross estimate. See Attachment F.

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual home.

Source: State of California Department of Housing and Community Development, San Diego Housing Commission, California Redevelopment Law.

Attachment F

Estimate of Utility Allowances 2004 Rent Restrictions

Estimate of Annual HOA, Insurance, and Utilities 2004 Price Restrictions

TABLE F-1

**ESTIMATE OF UTILITY ALLOWANCES
CRL AND LIHTC RENT LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY**

	Number of Bedrooms				
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Electric Heat	\$3	\$4	\$5	\$6	\$7
Gas Cooking	\$4	\$5	\$6	\$8	\$10
Gas Water Heater	\$5	\$7	\$9	\$11	\$14
Other Electric	<u>\$9</u>	<u>\$13</u>	<u>\$16</u>	<u>\$20</u>	<u>\$25</u>
Total	\$21	\$29	\$36	\$45	\$56

Source: San Diego Housing Commission 2004 Utility Allowance Schedule, February 20, 2004.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:\Data\SDRA04;3/26/2004;lag

TABLE F-2

ESTIMATE OF ANNUAL HOA/INSURANCE/UTILITIES - MID-RISE/HIGH-RISE CONDOMINIUMS
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

	Number of Bedrooms				
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
I. Homeowners Association Dues					
Monthly	\$200	\$250	\$300	\$350	\$400
Annual	\$2,400	\$3,000	\$3,600	\$4,200	\$4,800
II. Insurance					
Annual	\$100	\$150	\$200	\$250	\$300
III. Utilities (Annual) (1)					
Electric Heat	\$36	\$48	\$60	\$72	\$84
Gas Cooking	\$48	\$60	\$72	\$96	\$120
Other Electric	\$60	\$84	\$108	\$132	\$168
Gas Water Heater	\$108	\$156	\$192	\$240	\$300
Water & Sewer	\$312	\$432	\$564	\$684	\$876
Trash	\$0	\$0	\$0	\$0	\$0
Range/Microwave	\$120	\$120	\$120	\$120	\$120
Refrigerator	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>
Total Utilities	\$816	\$1,032	\$1,248	\$1,476	\$1,800
IV. Total HOA, Insurance, Utilities	\$3,316	\$4,182	\$5,048	\$5,926	\$6,900
Or Say, (Rounded)	\$3,300	\$4,200	\$5,000	\$5,900	\$6,900

(1) Source: San Diego Housing Commission 2004 Utility Allowance Schedule, February 20, 2004.

TABLE F-3

ESTIMATE OF ANNUAL HOA/INSURANCE/UTILITIES - LOW-RISE CONDOMINIUMS/TOWNHOMES
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

	Number of Bedrooms				
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
I. Homeowners Association Dues					
Monthly	\$100	\$125	\$150	\$175	\$200
Annual	\$1,200	\$1,500	\$1,800	\$2,100	\$2,400
II. Insurance					
Annual	\$100	\$150	\$200	\$250	\$300
III. Utilities (Annual) (1)					
Electric Heat	\$36	\$48	\$60	\$72	\$84
Gas Cooking	\$48	\$60	\$72	\$96	\$120
Other Electric	\$60	\$84	\$108	\$132	\$168
Gas Water Heater	\$108	\$156	\$192	\$240	\$300
Water & Sewer	\$312	\$432	\$564	\$684	\$876
Trash	\$0	\$0	\$0	\$0	\$0
Range/Microwave	\$120	\$120	\$120	\$120	\$120
Refrigerator	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>
Total Utilities	\$816	\$1,032	\$1,248	\$1,476	\$1,800
IV. Total HOA, Insurance, Utilities	\$2,116	\$2,682	\$3,248	\$3,826	\$4,500
Or Say, (Rounded)	\$2,100	\$2,700	\$3,200	\$3,800	\$4,500

(1) Source: San Diego Housing Commission 2004 Utility Allowance Schedule, February 20, 2004.

TABLE F-4

ESTIMATE OF ANNUAL HOA/INSURANCE/UTILITIES - SINGLE-FAMILY HOMES
CRL PRICE LIMITS, 2004
SAN DIEGO REDEVELOPMENT AGENCY

	Number of Bedrooms				
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
I. Homeowners Association Dues					
Monthly	\$0	\$0	\$0	\$0	\$0
Annual	\$0	\$0	\$0	\$0	\$0
II. Insurance					
Annual	\$100	\$150	\$200	\$250	\$300
III. Utilities (Annual) (1)					
Electric Heat	\$36	\$48	\$60	\$72	\$84
Gas Cooking	\$48	\$60	\$72	\$96	\$120
Other Electric	\$60	\$84	\$108	\$132	\$168
Gas Water Heater	\$108	\$156	\$192	\$240	\$300
Water & Sewer	\$312	\$432	\$564	\$684	\$876
Trash	\$0	\$0	\$0	\$0	\$0
Range/Microwave	\$120	\$120	\$120	\$120	\$120
Refrigerator	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>	<u>\$132</u>
Total Utilities	\$816	\$1,032	\$1,248	\$1,476	\$1,800
IV. Total HOA, Insurance, Utilities	\$916	\$1,182	\$1,448	\$1,726	\$2,100
Or Say, (Rounded)	\$900	\$1,200	\$1,400	\$1,700	\$2,100

(1) Source: San Diego Housing Commission 2004 Utility Allowance Schedule, February 20, 2004.